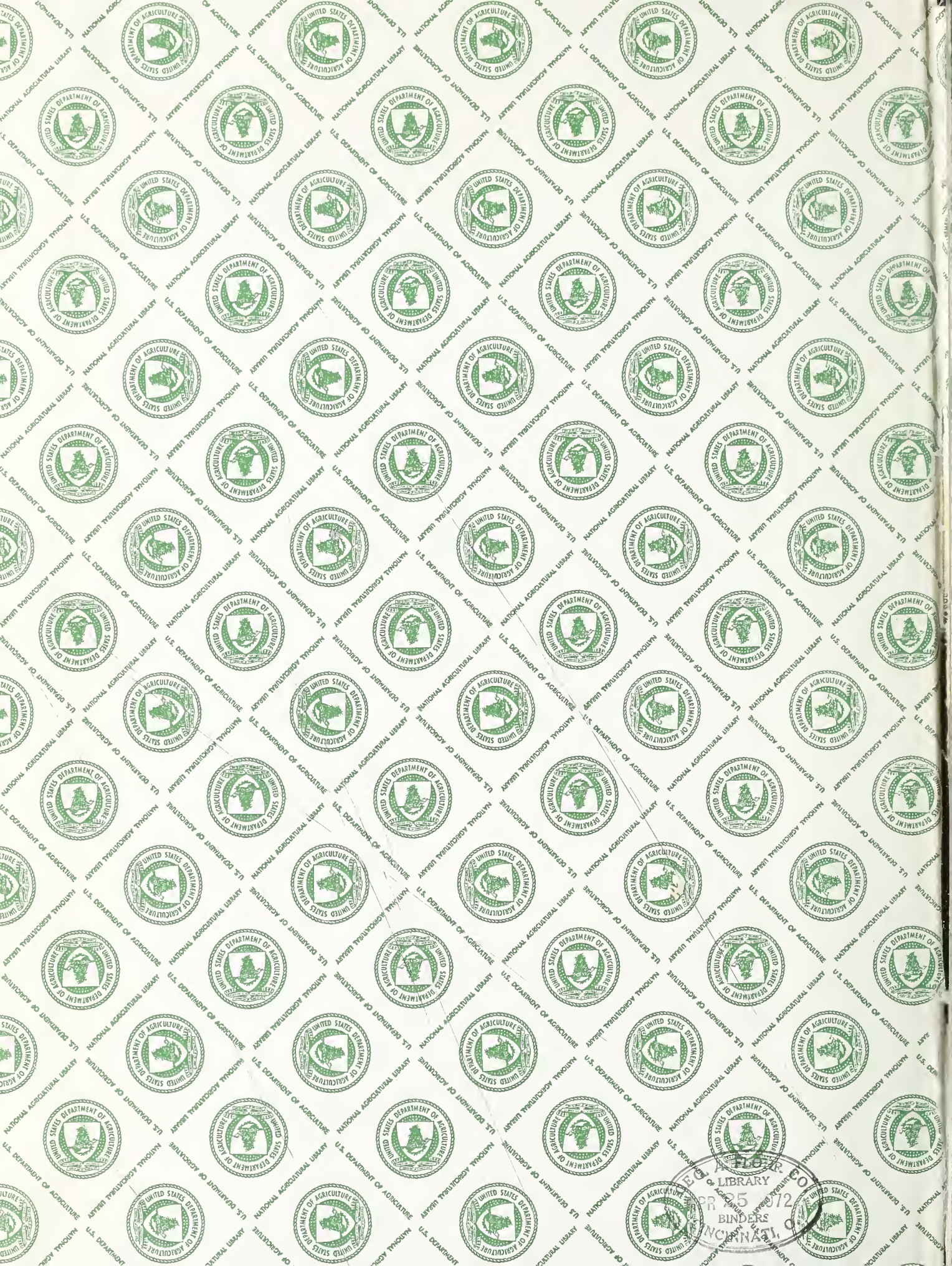


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Foodgrains in Pakistan Kenya: Farm Policies

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This week's cover:

Kenya and Pakistan—two developing countries with a common goal of agricultural improvement. Center, children pick pyrethrum in Kenya and, bottom, an irrigation lesson which will help spur foodgrain production in Pakistan. (FAO photo.)

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From top to bottom:
man carrying bag
of U.S. wheat onto
boxcar in East
Pakistan; farmers
preparing land
for rice planting
in East Pakistan;
West Pakistan
field for multi-
plication of new
high-yield wheat.
Right, honeycomb
grain-storage bins
in West Pakistan.



East and West in Pakistan—

Contrasts in Grain Production, Use, and Trade

By JOHN B. PARKER

*Foreign Regional Analysis Division
Economic Research Service*

Geography, climate, history, and population density all contribute to the differences in agricultural production, consumption, and trade in the two sections of Pakistan—one on the west border of the Indian subcontinent and the other about 1,500 miles to the east.

West Pakistan consists chiefly of arid and semiarid plains and mountains through which flows only one major river system—the Indus. Nevertheless, well over half of all cropland is expected to be irrigated by 1974-75—mostly from the Indus and its tributaries but some from wells. Wheat is the food crop grown in greatest quantity, and in recent years wheat cultivation has been so successful that West Pakistan is now a wheat exporter to East Pakistan. Rice is also an important crop, and some is exported to East Pakistan, some consumed locally, and some sold internationally to earn foreign exchange. Only a few years ago West Pakistan was a major importer of wheat—much of it from the United States.

West Pakistan contains 45 percent of Pakistan's total population and its inhabitants have a fairly varied diet to supplement their consumption of wheat and rice.

East Pakistan is mostly flat lowland intersected by a multiplicity of tributaries to the Ganges and the Brahmaputra Rivers. The climate is humid. The population density is greater than that of Japan. Over 80 percent of East Pakistan is farmland, and the great majority of that land is used to grow rice. In spite of intensive rice cultivation only 10 percent of annual rice production reaches urban markets, and East Pakistan must import rice and wheat from West Pakistan

plus considerable quantities of foreign wheat to feed city populations.

East Pakistan contains 55 percent of the country's total population and its people are almost entirely dependent on rice and wheat for nourishment.

The goal: agricultural self-sufficiency

After the crisis of the mid-1960's when Pakistan had to make large imports to feed its population, remarkable progress has been made in agricultural production—especially in the growing of foodgrains in West Pakistan, which is now essentially self-sufficient and is even an intermittent exporter. What were some of the ingredients of the foodgrain surge in West Pakistan?

The newly introduced high-yielding varieties of wheat and rice thrive on the irrigated lands of the Indus Basin in West Pakistan when they were provided with proper cultivation, fertilizer, and pesticides. Wheat production in West Pakistan rose from 3.9 million metric tons in 1965-66 to an estimated 7.0 million tons in 1969-70; rice output climbed from 1.3 million tons to an estimated 2.3 million tons during the same period. Production of wheat and rice in 1969-70 might have been even greater except for the adverse effects of drought on nonirrigated wheat and rice plantings and the high demand for traditional, low-yield rices that Pakistanis feel have superior cooking qualities.

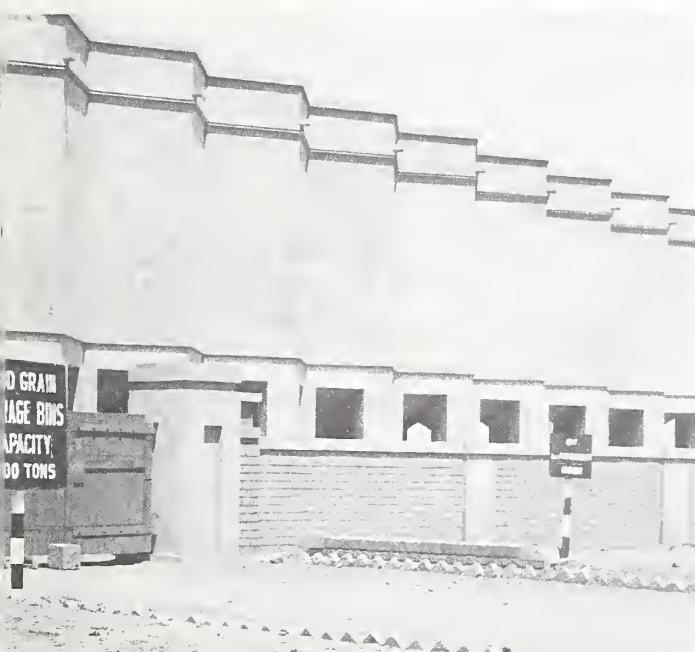
The impact of the new wheats in West Pakistan is indicated by the fact that although only 40 percent of West Pakistan's total wheat land (about 15 million acres) is planted to the new wheats, particularly Mexi-Pak, that 40 percent provides about two-thirds of total wheat production.

West Pakistan's changed position in self-sufficiency in foodgrains is indicated by the fall in grain imports from about 2 million tons in 1967 to less than 25,000 tons in 1969. And the 1969 grain imports resulted from a number of factors other than inadequate production: exports of wheat and rice to East Pakistan, imports of hard wheats for making special foods, and lowered deliveries by farmers to government markets because of decreased wheat procurement prices.

However, at the same time that production has increased a countertrend is affecting West Pakistan's wheat self-sufficiency. Because of greater personal incomes, wheat consumption in West Pakistan climbed from about 4 million tons in 1960 to about 6 million tons in 1969. In some urban areas of West Pakistan consumption of wheat has jumped by 30 percent in the past 3 years. Thus, although grain production in West Pakistan rose by more than 33 percent per capita in the 1960's, much of the increase is being counterbalanced by greater consumption.

Amplified rice production in West Pakistan has not produced the same consumption pattern as that for wheat. West Pakistan exported rice before its mid-1960's food crisis (213,000 metric tons in 1966) and the recent increased production has allowed it to resume both shipments to East Pakistan and to international customers.

The production from new high-yielding rice varieties that is not consumed in West Pakistan is available for shipment to



East Pakistan at fairly low prices. At the same time "basmati" rice, which has rather low yield per acre but cooking qualities highly prized locally and in other Asian countries, is sold at high prices to middle eastern countries and even to Europe. (The West Pakistan Government procurement price for "basmati" in 1969-70 is about \$8.92 per 100 pounds compared with about \$4.50 per 100 pounds for IR-8, a common high-yield rice.)

The challenge: feeding East Pakistan

Pakistan as a whole is still definitely a foodgrain deficit area because of the gap between production and consumption in East Pakistan. Rice is the only foodgrain raised in quantity in East Pakistan, and although production has increased, no great leap forward has occurred. Rice output in 1969-70 was estimated as 12.8 million metric tons; that for 1965-66 was 10.5 million tons.

Some of the increment is due to putting more land into rice, some to increased double cropping as irrigation facilities have expanded, some to improved methods of farming, and some to planting of new high-yielding varieties of rice. But East Pakistan has not had a breakthrough in the use of high-yielding rice varieties for a number of reasons: during the moist, hot weather of the monsoon season many high-yield strains are quite susceptible to the diseases Tungro and bacterial leaf blight; the short-stem varieties are difficult to grow in areas where the annual flooding of rice fields is fairly deep, as south of Dacca; and a large proportion of East Pakistani farmers work tiny subsistence holdings and are reluctant to try untraditional methods of cultivation.

Nevertheless, the area planted to high-yielding varieties of rice increased from about 166,000 acres in 1967-68 to about 382,000 acres in 1968-69, and the total area in new rices during the 1970-71 season may exceed 1 million acres. The use of two new Philippine varieties of rice, IR-20 and IR-22, has spread rapidly in East Pakistan this year, and these strains seem more adaptable to East Pakistani conditions than previous ones. Further, increased use of power pumps to lift irrigation water from rivers means more land in crops during the dry season when high-yielding rices do the best in East Pakistan. About 19,000 power pumps were in operation in 1969-70 and plans are to up the number to 40,000 by 1974-75. Irrigation using water from deep wells is also expected to increase.

Wheat is still a minor crop in East Pakistan although it provides nearly 10 percent of all caloric intake in the Province and a much higher percentage of basic food supply for urban populations. Although total wheat production has about tripled since 1965-66 from 36,000 metric tons to an estimated 102,000 tons in 1969-70, East Pakistan is still highly dependent on wheat imports. Area planted to high-yielding wheat varieties expanded from 20,000 acres in 1968-69 to 50,000 acres in 1969-70.

Role of government

A large part of Pakistan's recent advances in foodgrain production are because of government efforts in a variety of ways to benefit agriculture: distributing improved seed to farmers, providing subsidies on farmers' purchases of fertilizers and pesticides, supervising and helping to fund irrigation and trainage projects, training and providing extension workers, conducting agricultural research, and providing farm

foodgrain support prices, storage facilities, and orderly marketing programs in both the eastern and western sections of Pakistan.

Programs encouraging fertilizer use have been particularly successful in West Pakistan, where farmers used an estimated 337,000 metric nutrient tons of fertilizer in 1969-70. In 1965-66 West Pakistani farmers applied only 71,000 tons to their lands. About half the fertilizer distributed in West Pakistan is used on wheat. In East Pakistan fertilizer use is less prevalent even though government subsidies to farmers absorb much of the cost. Total application in 1969-70 in East Pakistan was about 135,000 tons, nearly all of which was used on rice. In 1965-66 East Pakistan's fertilizer use was 54,000 tons.

Government encouragement of pesticide use has also been important to foodgrain production. At present, West Pakistani farmers receive a subsidy of 75 percent for pesticides purchased, and in 1969-70 pesticides were used on about 5 million acres in West Pakistan. In East Pakistan pesticides are free to farmers who will use them and were applied to about 2.5 million acres in 1969-70.

Foodgrain price supports have a marked effect on the proportion of a crop that reaches commercial markets in Pakistan. For example, after a bumper wheat harvest in West Pakistan in 1968 and the first large government procurement of locally grown wheat (about 650,000 tons went into storage facilities previously used for imported wheat), the government decided to lower wheat price support from \$2.60 per bushel to \$2.29 per bushel in 1969. The result was that wheat deliveries by farmers in 1969 were far below government expectations and the price was restored to its former level. Inducing farmers to market foodgrains is an essential step in providing adequate supplies of foodgrain for urban populations in both West and East Pakistan.

Role of U.S.-Pakistani trade

The flow of goods between the United States and Pakistan in the 1960's has had a profound effect on Pakistani foodgrain production and consumption and may continue to be influential in the 1970's. The most obvious aspect of this trade in the past was large imports of U.S. wheat by Pakistan, mostly under P.L. 480 programs. These imports helped stimulate two trends—larger wheat production in West Pakistan in an effort to achieve foodgrain self-sufficiency, and much greater wheat consumption in East Pakistani cities as people became accustomed to eating wheat products.

Larger West Pakistan wheat production decreased imports of U.S. wheat from 1967 through 1969 and value of U.S. wheat exports fell from \$128 million to about \$40 million. But increased consumption of wheat in both West and East Pakistan may in turn stimulate imports. East Pakistan in 1969-70 will ship in about 1.7 million tons of foodgrains, of which about 1 million tons will be wheat from the United States. Wheat will also be received from Australia, Canada, and West Germany, and Japan is sending about 100,000 tons of rice. In addition, a barter agreement was signed with Mainland China to supply 100,000 tons of rice in exchange for Pakistani commodities.

Another trade trend is that improved foodgrain technology in Pakistan is encouraging imports of farm supplies, such as fertilizer ingredients, machinery, and pesticides. The United States is supplying a large share of these items. In 1969 the United States exported farm production aids worth \$25 million to Pakistan.

U.K. Foodgrain, Feedgrain Imports Up

Statistics for three-fourths of the United Kingdom's 1969-70 fiscal year are now available and they reveal that grain supplies in the United Kingdom have been swelled considerably by large-scale imports. Wheat imports in the 9-month period, July 1969-March 1970, are up 10 percent over the previous year; feedgrains are up 4 percent. Most of the increases have been in grains intended for animal feed; these are dominated by denatured wheat from France and Canadian barley. The increased demand resulted mainly from a cold spring and continued expansion of cattle and hog numbers.

There has been a slight reduction in shipments of milling wheat from Canada, but there has been somewhat of a recovery in direct wheat shipments from the United States. Supplies of wheat from Australia have increased sharply, and heavy shipments of Russian wheat have been received; transshipments in grains from the Netherlands to the United Kingdom appear to have fallen off sharply.

Corn imports are running about 11 percent lower than in 1968-69, but shipments from the United States have recovered from last year's decline. Sorghum imports are down significantly. Total imports of feedgrains during the 9-month period July 1969-March 1970 amounted to 2.97 million tons, 113,000 tons (4 percent) more than a year earlier.

Wheat imports by the United Kingdom, including wheat flour (wheat equivalent), during the July 1969-March 1970 period amounted to 3.61 million tons; this is 333,000 tons (or 10 percent) more than the imports during the same period last year. Of this total, 859,000 tons was denatured wheat for animal feed compared with 343,000 tons a year earlier; 2.66 million tons was wheat for milling purposes. This latter tonnage was 150,000 tons (or 5.5 percent) lower than imports for July-March 1968-69.

Within the milling wheat sector, Canada was the United Kingdom's most important source of supply during the reporting period with imports totaling 944,000 tons, a tonnage 44,000 tons (4.5 percent) less than a year earlier. Arrivals of Australian wheat were more than double those of the corresponding period a year earlier—773,000 tons compared to 306,000 tons.

France supplied 505,000 tons of denatured wheat, more than double the 240,000 tons it sent to the United Kingdom during the same period in the previous year; Dutch denatured wheat (mostly transshipments) rose from 91,000 tons to 223,000. Shipments from Rumania, Sweden, and Spain, important sources of supply last year, declined in 1969-70. Finland shipped 51,000 tons to the United Kingdom during the reporting period.

Imports of wheat flour so far this year amounted to 63,000 tons (actual weight) and are running 11,000 tons (21 percent) higher than a year earlier. Wheat flour imports from Canada have fallen from 40,000 to 34,000 tons; imports of flour from West Germany, however, have risen significantly.

Corn imports during the 9-month period amounted to 2.3 million tons and were 302,000 tons (11.5 percent) less than last year. Despite the reduction in total corn imports, direct corn imports from the United States have shown a healthy increase so far this year. Total arrivals of direct-shipped U.S.

corn amounted to 1.5 million tons, which was 228,000 tons (18 percent) higher than a year earlier. The proportion of U.S. corn, in comparison to all corn imports, was 65 percent. This compares with 48 percent a year earlier. Transshipments of corn via the Netherlands (not necessarily of U.S. origin) dropped heavily from 448,000 tons in July-March of last year to only 163,000 tons in the same period this year. Canada, however, increased its shipments into the country (mostly transshipments of U.S. corn) from 17,000 tons to 132,000 tons during July 1969-March 1970.

Shipments from some of the smaller suppliers fell; from others, they increased. Argentina's shipments more than doubled during the period under discussion to reach 57,000 tons; France's shipments increased by 10 percent to 156,000 tons. Shipments from Malawi were nil as compared to 69,000 tons in the same period last year; South Africa's shipments fell from 489,000 tons during the 9-month period last year to only 151,000 tons during July 1969-March 1970.

Barley imports into the United Kingdom rose significantly in 1969-70; Canada was the major supplier. Total barley imports during the period under review amounted to 567,000 tons, compared with only 127,000 tons a year ago. Of this total 273,000 tons came from Canada. This tonnage was more than three times as much as the 82,000 tons imported from that country during the comparable period of the previous year. Imports from Australia totaled 106,000 tons, a sharp increase from the 38,000 tons of the previous years. Other countries which made significant barley shipments to the United Kingdom during the present period included France, Spain, and Sweden. Some barley was imported from the United States although this is not yet reflected in the statistics.

UNITED KINGDOM GRAIN IMPORTS
1967-68, 1968-69, 1969-70, TOTALS AND U.S. SHARE

Commodity	Fiscal year					
	1967-68		1968-69		1969-70 ¹	
	Total imports	U.S. share	Total imports	U.S. share	Total imports	U.S. share
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
Wheat ²	4,064	236	4,573	96	5,029	65
Rye	11	(³)	12	(³)	12	(³)
Barley	109	(³)	372	(³)	670	(³)
Corn	3,793	1,893	3,465	1,739	3,420	1,800
Sorghum	126	5	156	3	150	3
Oats	5	(³)	25	(³)	27	(³)
Totals	8,108	2,134	8,603	1,838	9,308	1,868

¹ Estimated; subject to amendment. ² Includes wheat equivalent of imported flour (72 percent extraction). ³ Nil shipment.

Sorghum imports into the United Kingdom have fallen very sharply—from 104,000 tons in the period July 1968-March 1969—to only 60,000 tons during the same period this year.

Oats imports have gone up by 2,500 tons from 4,000 tons to 6,500 tons.

—Based on a dispatch from DAVID L. HUME
U.S. Agricultural Attaché, London



Above, shepherd on the Central Sheep and Wool Research Station in Rajasthan holding crossbred Rambouillet-Malpurna lamb. Below, a flock of native sheep of the type that would be bred with Rambouillet.



A flock

American Sheep Thriving

By GUY L. HAVILAND, JR.
Assistant U.S. Agricultural Attaché
New Delhi

American-breed Rambouillet sheep are now grazing on the slopes of the world's highest mountains—the Indian Himalayas. In 1968 the Government of India imported 1,500 of these fine-wool Merinos and placed them on State research farms where pastures often exceed 13,000-foot elevations. After two seasons the sheep look well and the flocks have increased.

The first shipment of 400 Rambouillet sheep from the United States arrived in India in 1964; these sheep, a gift from a private organization, were sent to the Central Sheep Research Farm in Rajasthan. Crossbreeding of the Rambouillet with local Rajasthan sheep gave excellent results—larger bodied sheep with wool of much finer quality.

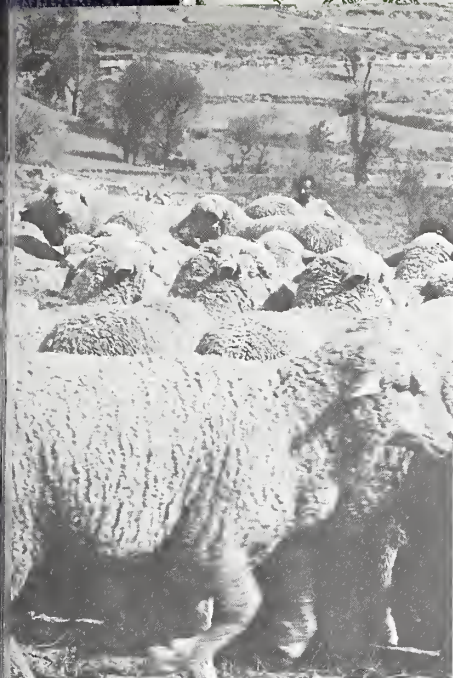
Then, in 1967, satisfied with the results of the first shipment, the Indian Government began negotiations to purchase 1,500 more American Rambouillets. Finally, in late February 1968, the animals arrived. They were divided among several research farms, mostly located in the Himalayas.

On these farms they have been kept separate from other sheep and are used to produce good breeding rams. These Indian-bred rams are to be leased to various villages for breeding with local sheep in an effort to improve the quality of the wool clip in India. In addition, the Ministry of Agriculture plans to do selective crossbreeding and to develop new sheep breeds with fine to medium wool that are adapted to local climatic conditions.

Wool industry evaluation

Before importing Rambouillets, the Indian Ministry of Food and Agriculture assessed its wool industry and decided that improvement was badly needed—both the wool clip per animal and the quality of the clip needed to be increased.





Above, a home of American Rambouillets in the Himalayas in Kashmir. Below, a closeup of fine-wooled Rambouillet fleeces.

Himalayan Pastures

Nearly half of India's sheep produce little or no wool; the other half produce mostly the coarser carpet wools.

Wool production seldom exceeds 2-3 pounds per animal per year, compared with approximately 8½ pounds in the United States. And in 1968 total Indian wool production was estimated at 81.6 million pounds, grease basis, compared with a total shorn wool production in the United States of 178 million pounds, grease basis, that year. Most Indian sheep are shorn twice a year, thus reducing the wool fiber length and quality. Commercial grading of wool has been expanded; however, it still includes only 10 to 15 percent of the clip. Most of the wools are graded in the carpet classes.

India's sizable wool industry has an installed capacity of about 230,000 spindles, 2,543 powerlooms (plus about 1,200 looms in the nonreporting sector of the industry), and more than 100,000 small-scale units in the handloom sector. But, owing to shortages of fine wool, the industry has been operating at only about 40 percent of its installed capacity.

During 1967 the industry consumed an estimated 23,000 metric tons of clean wool, and it claims that it could easily consume 45,000 to 50,000 tons. Present wool production, even if of the higher qualities, could not begin to fully use the capacity of the wool industry.

Rambouillet credentials

Livestock specialists in the government studied various breeds of fine-wool sheep and concluded that the Rambouillet would most nearly meet their requirements of increased wool clip and quality.

Rambouillets have been successfully raised in the United States both at elevations similar to those of the Himalayas and in arid regions similar to those found in India.

A second and major consideration in the choice of the Rambouillet was that sheep were available from the United States for export while other Merino breeds are normally banned for export by the countries in which they are raised.



India already has more than 40 million sheep—one of the world's largest sheep populations. In numbers of livestock in India, sheep rank third.

Sheep are raised in every State and there are as many local breeds as there are States. One thing the breeds have in common is their coarse wool—they were all selected primarily for their ability to survive in the widely diverse and often rigorous climatic conditions of India, not for their wool quality or meat production. Indeed, the often harsh conditions, accentuated by the near total absence of any grazing control, are perhaps the major obstacles to a thriving sheep and wool industry in India.

Even so, wool production and mutton consumption help to make sheep herding in India an important industry. In contrast to the almost total ban on beef slaughter and consumption, there is little or no restriction on sheep slaughter, and most Indians like mutton.

The Rambouillet import program has been well received by the northern States of India and they have requested more of these sheep. Central government officials have set an import target of 10,000 American Rambouillets.

The continued import of fine-wool sheep, combined with some grazing control and an improved feed supply, could do much to alleviate India's need for fibers, particularly in colder areas. And finally, increased apparel-wool production appears to offer India an excellent opportunity for import substitution.

Kenya: New Policies and Continued Progress

Kenya's second 5-year plan—for 1970-74—makes some basic changes in agricultural policy. Whereas the earlier plan stressed land transfer, this one is broader and aims at raising agricultural efficiency and productivity. It emphasizes such long-term efforts as agricultural education and research, land adjudication and registration, and range and water development as well as immediate-impact programs such as credit, rice irrigation, livestock development, and production of corn, tea, and sugar.

Agriculture's share cut

Agriculture's allotment of public development expenditures is 20 percent—a cut from the 26.1 percent allotted to agriculture under the first plan, owing mainly to a cut in funds for land transfer. More than half of public development funds will go for basic services (roads, railroads, harbors, etc.) and another large share will be used for social services (education, housing, health, etc.).

One land transfer plan, the 1-million-acre settlement scheme, begun by the government in 1960 to settle African farmers, was practically completed in 1969. Between 1963-64 and 1968-69, about 2.3 million acres were transferred from noncitizen to citizen or corporation ownership. As a result of the transfer, marketings from small-scale farms rose 46 percent between 1964 and 1968 in contrast to marketing from large-scale farms, which, though varying during the period, did not change overall. In 1964, 40 percent of farm marketings came from small-scale farms compared with 51 percent in 1968.

The new plan makes it clear that the transfer of large-scale mixed farms, either intact or through settlement schemes, effected during the first plan, will not be repeated under the second plan for coffee, tea, and sisal ranches and plantations. There are five reasons for this: the ranches and plantations are not suitable for subdividing into small-scale farms; there is consensus that management required to operate ranches and plantations is generally not available among new farmers; previous land transfer schemes have been very costly; loan repayments have not been good, and outside financing is not as readily available as before; and funds that are available for land transfer must be given to operations that have already been transferred.

Livestock, corn, and marketing

Planned expenditures on livestock under the new plan are more than three times those under the first plan. Long-term projects such as range and water development are planned, as are shorter term ones such as livestock marketing, veterinary field services, and range credit. Spending on livestock has already increased owing to the realization that local demand will soon overtake production, canceling plans for increasing exports.

The government plans to capitalize on the first plan's successful developments in corn but does not intend to subsidize producer prices for corn or any other product in the long term. The government does envisage continuing corn export subsidies at a lower rate for a few years. Elimination of this subsidy, however, could be blocked by the present pressure to raise producer prices.

Government control of marketing will be deemphasized

under the new plan. The government has already removed delivery quotas on milk. Kenya's 1,000 cooperatives, set up to serve farmers, will not be granted special protection or monopoly privileges by the government where marketing institutions already exist.

Rural development stressed

A highly innovative and experimental section of the new 5-year plan, on rural development, adds substance to President Kenyatta's "back to the land" call and recognizes Kenya's most important future problem—that of keeping employment up. This section proposes to decentralize nonagricultural development and to make farming more attractive by improving rural living conditions.

The rural development section is not as specific as other sections of the plan, however, nor is it supported to a significant degree by planned expenditures; substantial financing for it will have to come from improved agricultural production in the areas affected and from external assistance, according to the plan. Many foreign assistance donors, including the United States, have shown interest in the rural development effort. Also, development expenditures foreseen in agriculture and in basic and social services can be utilized in this program.

The special attention to rural development does not signal a change in emphasis; the prime target of the second plan as a whole is still the nonurban population, just as in the first plan.

If pilot efforts in rural development show promise, emphasis will be shifted in this direction in the third plan, or even late during the second plan, if enough external assistance is forthcoming.

Production in 1969

Despite poor rains, Kenya's agriculture continues to progress. A 3- to 4-percent decline in farm production in 1969-70 did not stop Kenya's exports of commercial agricultural products (tea, coffee) from increasing. Exports of food crops (chiefly corn), however, were down markedly.

Poor rains were responsible for the year's drop in agricultural production. Food crops were the hardest hit. Production of corn, Kenya's largest grain crop and the staple diet of rural and many urban areas, suffered the greatest loss, falling about 15 percent from 1968 production. Pulse and vegetable production also suffered, and the total outturn of livestock and livestock products was no greater, and probably somewhat less, than production during the previous year. On the other hand, tea, coffee, and sugar, all commercial export crops for Kenya, registered healthy gains in 1969 over 1968 production.

Despite the drop in farm production, however, gross farm revenue for 1969 is estimated about 4 percent above that for 1968, and the country's overall economic progress during 1969 was good.

Exports up, imports down

Agricultural sales abroad during 1969 improved overall from the 1968 level, mainly because of greater coffee and tea output and also because some of the 1969 exports were from the previous year's production. Important export gains

were also registered for other products—namely, canned pineapple, cotton, castorseed, and wheat flour. Earnings from hide and skin marketings increased because of higher prices although the quantity sold was down. Similarly reduced sisal export volume is thought to have been offset by higher prices. But declines in sales of cashew nuts, meat, corn, butter, and sesame seed—particularly the last three—are indicated.

Kenya's agricultural imports, usually about 10 percent as great as farm exports, appear to have declined sharply in 1969 from 1968 levels. Purchases of sugar, the principal import, were off 65 percent through October 1969, owing mainly to Kenya's greatly increased sugar production in recent years. Purchases of oilseeds, fats, and oils, on the other hand, were probably up some during the year; and the country's tobacco imports rose markedly from the previous year's level.

Corn production down, exports vanish

Corn production in 1969 dropped 15 percent from 1968. The area planted to corn is thought to have declined perhaps as much as 10 percent owing mainly to lack of rain, poor distribution of the rain that did fall, and an 11-percent decline in producer prices.

As a result of the smaller production, Kenya has dropped out of the corn export market entirely during 1969-70, after 2 years of relatively high (270,000-ton) exports. Before 1967, Kenya was a net importer of corn, which it purchased mainly from the United States; then, in 1967-68, the country produced enough that it could sell corn abroad. Most of Kenya's corn went to the United Kingdom. The country's sudden increase in production was a result of planting hybrid varieties, using improved cultural practices, and expanding acreage—all supported by good weather.

In 1969-70, after the long rains (March-May) failed, the Maize and Produce Board stopped purchasing, and Kenya had to resume imports of corn. The country imported 14,000 tons of yellow corn to use as stockfeed in order to conserve white corn for human consumption. Further imports are unlikely, however, because recent rains have been good and because the supply situation has eased.

Domestic supplies

The 1970-71 harvest could be up as much as 12.5 percent over 1969-70. The commercial corn supply (that purchased by the Maize and Produce Board) for 1970-71 is tentatively forecast at 300,000 metric tons to 330,000 tons. If the 330,000-ton level is reached or exceeded, Kenya may export some corn, though probably not much and probably not until the middle of 1971. Most of the surplus of a large harvest would serve to replenish the stocks of the Maize and Produce Board and subsistence producers.

Good January rains, less hoarding of corn, and rejection by consumers of "enriched sifted maize meal"—a corn-and-wheat-flour product introduced by the Kenyan Government—have caused demand for corn to stabilize. The unpopular maize-meal product also seems to be slowing corn purchases. Rural posho (ground white corn) mills—96-percent extraction compared with 80-percent extraction for degermed meal—have reportedly been buying increased quantities directly from producers at prices 40 percent to 60 percent higher than the price paid by the Maize and Produce Board. Posho from these mills is reportedly replacing some of the usual commercial supplies of ground corn.

The Kenyan government announced in September 1969 that there would be no change in 1970 planted corn and wheat prices. But in January of this year, the Maize and Produce Board recommended through the Ministry of Agriculture that 1970-71 producer corn prices be raised 12 percent to US\$3.92 per 90-kilogram bag at the Board's depots; if approved, such a raise would change the trend that producer prices have been taking in the past few years from a downward to an upward one.

Outlook is good

If weather is favorable in 1970-71, production of pulses, vegetables, pyrethrum, and corn, planted during 1970 could easily rebound from the low 1969 level, although the effect of better weather on most exports would be noticeable only in the last half of the year. Grazing conditions would improve, and slaughter weights and milk production would increase. Both coffee and tea exports would probably rise. But even if rainfall in the 1970-71 growing season is normal, the backlog of orders for pyrethrum extract will not be covered until September 1971.

—Based on dispatches from WILLIAM L. DAVIS
U.S. Agricultural Attaché, Nairobi

U.S. Joining OECD Beet Seed Scheme

The United States has announced its intention to participate in the Organization for Economic Cooperation and Development (OECD) "Scheme for Varietal Certification of Sugarbeet and Fodder Beet Seed Moving in International Trade," which was established by the OECD Council on February 20, 1968.

This plan is similar to the other six arrangements under which the OECD certifies seed and farm equipment as a means of standardizing their classifications, but it has not existed long enough to have all of its activities fully developed. The first OECD list of sugarbeet seed varieties eligible for certification in 1969 contained 253 varieties. Beet seed certification is at present applied by Denmark, France, Germany, Italy, the Netherlands, Sweden, Turkey, and the United Kingdom.

The first OECD scheme was that for the varietal certification of herbage seed and was established by the OECD Council in May 1958. In 1969, 6 million pounds of OECD-certified grass and legume seeds were exported by American seed producers. About 90 percent of these seeds were originally grown at the request of Asian and European seed dealers who selected U.S. producers because this country has the proper climatic conditions for growing varieties of seeds which meet foreign crop requirements.

Seeds submitted under the several OECD seed programs undergo various checks and tests including growing trials (comparative field tests and control tests before and after the field trials) and field inspections of crops producing these seeds. Regulations have been established to insure that these tests for any given type of OECD-certified seed are carried out by a standard method.

The United States at present participates in three OECD schemes: Herbage seed, forest reproductive material, and international standards for fruits and vegetables.

—By KENNETH E. OGREN
U.S. Agricultural Attaché to the OECD, Paris

U.S. Trade Team Visits Top Latin American Wheat Markets

Venezuela, Brazil, Colombia, and Chile—four important and growing Latin American markets for U.S. wheat exports—were recently visited by a five-man U.S. trade team sponsored jointly by Great Plains Wheat and USDA.

In meetings with officials responsible for wheat imports and utilization policies, including government officials, flour mill executives, and grain-trade representatives, the U.S. team discussed topics ranging from quality preferences to quantity requirements. They also explored measures the United States might take to meet competition from other exporting countries in these Latin American wheat markets.

The group was headed by Clifford Pulvermacher, head of USDA's Export Marketing Service, and included Joseph Hallow, executive vice-president of Great Plains Wheat; Rex Cozad of the Kansas Wheat Commission; Charles Nelson of the North Dakota Wheat Commission; and Larry Thomasson of FAS' Grain and Feed Division.

Together Brazil, Venezuela, Colombia, and Chile imported more than 60 million bushels of U.S. wheat in FY 1969, and the team found that prospects are good for both continued substantial sales of U.S. wheat in these principal South American markets and some growth in the years ahead.

Team members found that in three of the countries visited—Brazil, Chile, and Colombia—U.S. Hard Winter wheats are preferred. Venezuela buys primarily high-protein spring wheat.

Although the marketing situation in

each of the countries varies greatly, there are some underlying similarities. In Brazil, Chile, and Colombia wheat buying and distribution is done through official government agencies. Also the wheats produced in these three countries are of low protein and must be mixed with imported higher protein, strong-gluten wheats in order to produce a good bread flour.

Venezuela, whose wheat production is insignificant, is the only one of the four countries that is not trying to expand wheat production. However, none of the countries has been able or is likely to produce enough wheat to meet domestic requirements and will continue to need stronger wheats for blending.

The team found that because of the low per capita wheat consumption in all of the countries except Chile there is a potential for great increases. However, the contract which the Canadian Wheat Board recently closed with Brazil, the largest market in Latin America, makes it difficult for the United States to maintain its recent share of this growing market. U.S. wheat exports to Brazil have averaged over 1 million tons per year (CY basis) since 1963 as compared with about the same quantity for Argentina. Imports from other sources have averaged about 300,000 tons per year.

Brazil's domestic production has tripled in the last 3 years to 1.2 million tons with good weather and a guaranteed producer price incentive equivalent to about \$105 per metric ton (\$2.85 per bushel). More domestic wheat could mean a shift to stronger wheats for blending if quality standards are maintained. However, only if the Brazilian Government permits an accelerated expansion in wheat consumption could recent wheat import levels be maintained. And the recent increase in the blend price of wheat to the millers from about \$80 per metric ton to \$91 per metric ton—occasioned by a larger share of high-cost domestic wheat versus imported wheat at the world level—will obviously discourage consumption to some extent.

This recent team visit, a follow up to a similar one in 1967, assured these important Latin American wheat markets of the continued U.S. interest in the maintenance and expansion of mutually beneficial trade.



Above and below, U.S. wheat is unloaded at the port of Santa Marta, Colombia. The grain is bagged on arrival instead of being moved in bulk.



CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	June 24, 1970	Change from previous week		A year ago
		Dol. per bu.	Cents per bu.	
Wheat:				
Canadian No. 2 Manitoba	¹ 1.96	0	(¹)	
USSR SKS-14	(²)	(²)		1.84
Australian Northern Hard	(²)	(²)		1.87
U.S. No. 2 Dark Northern				
Spring:				
14 percent	1.86	0		1.91
15 percent	1.93	(¹)		1.92
U.S. No. 2 Hard Winter:				
13.5 percent	1.80	-2		1.88
Argentina	(²)	(²)		(²)
U.S. No. 2 Soft Red Winter	1.69	-2		1.71
Feedgrains:				
U.S. No. 3 Yellow corn	1.68	0		1.46
Argentina Plate corn	1.73	-1		1.59
U.S. No. 2 sorghum	1.43	0		1.24
Argentina-Granifero	1.42	+3		1.26
Soybeans:				
U.S. No. 2 Yellow	3.25	+6		2.85

¹ For Sept. delivery (90 days) rather than for Aug. (30-60 days).

² Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Yugoslav Grain Crops Down

Yugoslavia's 1970 wheat crop is expected to be down substantially—probably by one-fifth—from the record 4.88 million metric tons harvested last year. Unfavorable seeding conditions, the result of an extended drought last fall, led to a reduction in new-crop wheat area of about 10 percent. In addition, too much moisture during the late winter months delayed growth generally and caused severe damage in certain areas.

Unfavorable weather and soil conditions also lessened prospects for other field crops. Excessive rain, especially in the country's principal commercial section—the Vojvodina—led to wet, cold soil which was unfavorable for growth and unsuitable for seedbed preparation. Further, the water table was high and standing surface water was evident in many large areas of this important agricultural province. Some additional crops were recently lost to flooding.

Current indications are that total feedgrain acreage will be down by about 3.5 percent and production will be down by 10 percent. This probably means that this year Yugoslavia will import sizable quantities of wheat and that its feedgrain exports will be quite small.

Pakistan's 1969-70 Rice Crop

Rice acreage in Pakistan during 1969-70 was up to 27.3 million acres, excluding acreage under boro crop (summer harvest) in East Pakistan, according to the third official estimate. This is an increase of about 5 percent over the final

estimate for 1968-69 of 25.9 million acres. Acreage in East Pakistan devoted to new high-yielding varieties developed by the International Rice Research Institute (IRRI) increased 50,600 acres during 1969-70 to 72,100 acres. Much of Pakistan's total rice crop comes from East Pakistan.

The production of cleaned rice during 1969-70 was estimated at 12.3 million long tons (excluding the production of boro), an increase of about 6 percent over the final estimate of the previous year. The production of IRRI rice from aus (autumn harvest) and aman (winter harvest) in East Pakistan increased to 93,600 long tons in 1969-70, up from only 29,500 tons in 1968-69. Rice production increases during 1969-70 were the result of both expanded rice acreage—especially IRRI rice acreage—and increased use of fertilizer.

German Tender for Canned Asparagus

West Germany has issued an import tender for canned asparagus cuts and tips. Tips without cuts are excluded. The United States is one of the eligible countries.

Applications for license must be made within 21 days after loading aboard ship and licenses are valid through December 31, 1970. All applications should be accompanied by the exporter's bill in duplicate. If an import embargo is imposed, licenses will only be issued for shipments for which purchasing contracts were signed not later than the day of publication of the embargo and which were loaded aboard ship not later than 14 days after publication of the embargo.

This tender has the same conditions as the previous tender and permits uninterrupted imports.

Canada's 1969 Honey Crop

According to a recent Dominion Bureau of Statistics estimate, the 1969 Canadian honey crop reached a record 53.3 million pounds, an increase of 19.0 million pounds over 1968 production. The 1969 honey crop was also significantly above the 1957-66 average of 36.2 million pounds.

The increase in honey production during 1969 was primarily caused by a 46-pound increase per colony in average yield. Also contributing to the increase was the rise in the number of colonies—from 414,060 in 1968 to 419,000.

The total value of honey produced in the various Provinces in 1969, with 1968 figures in parentheses, is as follows—in thousands of Canadian dollars: Prince Edward Island \$9 (\$10); Nova Scotia \$49 (\$49); New Brunswick \$46 (\$55); Quebec \$980 (\$671); Ontario \$1,797 (\$1,968); Manitoba \$1,388 (\$691); Saskatchewan \$1,214 (\$712); Alberta \$2,839 (\$1,432); and British Columbia \$495 (\$469).

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Foreign Agriculture

Mexican Oilseed Import Requirements Rising

Continuing drought and reduced cotton acreage have substantially increased Mexico's requirements for oilseeds and vegetable oil and meal. The United States, particularly well situated to supply these commodities, is providing a major portion of Mexico's current needs.

Mexico's production of oilseeds in 1970 is expected to approximate only 1.3 million metric tons, about 200,000 tons below the 1969 level of 1.5 million tons. Sharp declines are expected in both cottonseed and sesame seed, while a sizeable increase is expected in safflower production. However, little or no change is expected in the production of soybeans and peanuts.

In early 1970, CONASUPO, the Mexican buying agency, began purchases of U.S. soybeans, cottonseed, and soybean and cottonseed oils. U.S. exports of these commodities to Mexico are shown below:

<i>Commodity</i>	<i>Total 1969, in metric tons</i>	<i>January-April 1970, in metric tons</i>
Cottonseed	4,257	4,921
Soybeans	24,195	64,257
Cottonseed oil	1,271	10,712
Soybean oil	3,132	3,571

Purchases of oilseeds and products by CONASUPO have been exempt from import duties and normal licensing restrictions. While the duties on soybean and cottonseed oils are moderate and approximate 0.83 and 0.93 U.S. cents per pound respectively, the duties on soybeans and cottonseed would be prohibitive at \$202 and \$94 per metric ton.

Mexico has purchased some additional quantities of U.S. cottonseed and soybeans for delivery during the short period before her own crops are available for crushing. As Mexican safflower is currently being harvested, and cotton soon will be, it appears likely that Mexico will rely on domestic oilseeds for the remainder of the current year.

By early 1971, however, the reduced supplies from the lower 1970 oilseed harvest will be exhausted and imports will again be required to maintain crushing operations. Based on

current forecasts, Mexico may require imports of 100,000 tons of cottonseed, 150,000 tons of soybeans, and possibly some rapeseed (or the product equivalent) during the first half of 1971.

To assure every effort is being made to facilitate the utilization of U.S. oilseeds and products in Mexico, the National Cottonseed Products Association and the American Soybean Association have offered technical assistance. As Mexico is likely to remain a growing market for imported vegetable oils and protein meal, efforts are being made to assure the broadest acceptance of these products.

Mexico Gripped by Drought

The month of May saw soaring temperatures and drought conditions in various parts of Mexico, and the Mexican Secretary of Agriculture reported to farm agents throughout the country that the dry weather could be expected to continue into the summer. Temperatures ranged in the upper 90's and 100's in many places; a temperature of 105° F. in the shade was reported in Veracruz and from Monclova.

Cattlemen have complained there is speculation in Lower California and that the rising price of forage has made milk and meat production unprofitable. Reports from Zacatecas have reached the National Livestock Confederation that molasses, bean fodder, and sorghum are urgently needed to feed thousands of animals. Chihuahua, Coahuila, and Durango report that with the 2 driest months yet to come, animals are lean and lack feed.

Producers are shipping large numbers of cattle to slaughterhouses in Mexico City and other areas. Packinghouses are working at capacity to keep up with the influx of cattle awaiting processing. Although there is a pressing need for meat storage, there is a serious shortage of facilities.

Milk producers are seeking higher prices because of the drought-caused rise in feed prices. Pasture prices are reported to have risen 50 percent.